

AMENDED IN SENATE MAY 31, 2016
AMENDED IN SENATE MARCH 31, 2016
AMENDED IN SENATE MARCH 14, 2016

SENATE BILL

No. 968

Introduced by Senator Monning
(Coauthor: Senator Jackson)
(Coauthor: Assembly Member Achadjian)

February 8, 2016

An act to add Section 712.5 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 968, as amended, Monning. Diablo Canyon Units 1 and 2 powerplant.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Diablo Canyon nuclear powerplant, composed of reactor Units 1 and 2, is operated by the Pacific Gas and Electric Company in the County of San Luis Obispo. Existing law requires the commission to convene, or continue, until August 26, 2025, an independent peer review panel to conduct an independent review of enhanced seismic studies and surveys of the Diablo Canyon Units 1 and 2 powerplant, including the surrounding areas of the facility and areas of nuclear waste storage.

This bill would ~~direct the commission to require the Pacific Gas and Electric Company to submit an assessment,~~ *require the commission to cause an assessment to be completed by no later than July 1, 2018,* conducted by an independent 3rd party, selected as specified, of the adverse and beneficial economic impacts, and net economic effects,

that could occur, and of potential ways for the state and local jurisdictions to mitigate the adverse economic impact, if the Diablo Canyon Units 1 and 2 powerplant were to temporarily or permanently shut down before the powerplant's current operating licenses expire or if the Pacific Gas and Electric Company were to decide not to pursue license renewal. ~~The bill would require the commission to consider any further assessments or reviews needed that could assist local efforts to prepare for a closure of the Diablo Canyon Units 1 and 2 powerplant.~~

This bill would make legislative findings and declarations as to the necessity of a special statute for the Pacific Gas and Electric Company.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 712.5 is added to the Public Utilities
2 Code, to read:
3 712.5. (a) (1) ~~The commission shall require the Pacific Gas~~
4 ~~and Electric Company to submit an assessment, cause an~~
5 ~~assessment to be completed by~~ no later than July 1, 2018, of the
6 adverse and beneficial economic impacts for the region surrounding
7 the County of San Luis Obispo, and the net economic effects on
8 that region, that could occur if the Diablo Canyon Units 1 and 2
9 powerplant were to temporarily or permanently shut down before
10 the powerplant's current operating licenses from the Nuclear
11 Regulatory Commission expire or if the Pacific Gas and Electric
12 Company were to decide not to pursue license renewal. The
13 assessment shall include a review, as described in paragraph (4)
14 of subdivision (b), of potential actions for the state and local
15 jurisdictions to consider in order to mitigate the adverse economic
16 impact of a shutdown.
17 (2) The assessment shall be conducted by an independent third
18 party, selected in accordance with paragraph (1) of subdivision
19 (c).
20 (b) The assessment shall consist of, but not be limited to, all of
21 the following:
22 (1) Estimates of any ~~decreases~~ *changes* in local tax revenues,
23 ~~decreases~~ *changes* in workforce populations, ~~losses~~ *changes* in
24 indirect or induced economies, and potential impacts to ratepayers
25 from ~~an early~~ *a* shutdown.

1 (2) A review of the economic impacts that affected the region
2 surrounding the San Onofre Nuclear Generating Station after it
3 was decommissioned by the Southern California Edison Company
4 and of the relevant decommissioning plans of the San Onofre
5 Nuclear Generating Station.

6 (3) A review of regions in the United States similar to the region
7 surrounding the County of San Luis Obispo that have experienced
8 the decommissioning of a nuclear powerplant and of the resulting
9 economic impacts of the decommissioning on those regions.

10 (4) Identification of any contingency plans that could mitigate
11 the adverse economic impact of a shutdown to state and local
12 jurisdictions, the local workforce, and entities receiving enhanced
13 tax revenue.

14 ~~(c) (1) The commission shall require the Pacific Gas and~~
15 ~~Electric Company to issue a request for proposal for the~~
16 ~~independent third party that will ensure that the selected party is~~
17 ~~able to make an independent review and analysis of the data~~
18 ~~described in subdivision (b). The commission shall make the final~~
19 ~~selection of the independent third party from the list of qualified~~
20 ~~bidders.~~

21 (2) The independent third party shall consult with the Board of
22 Supervisors of the County of San Luis Obispo, the governing board
23 of the San Luis Coastal Unified School District, *the Center for*
24 *Labor Research and Education at the University of California at*
25 *Berkeley, the regional economic development group of the County*
26 *of San Luis Obispo, and other relevant governmental entities or*
27 *community-based organizations to assist in an accurate assessment*
28 ~~of decreases in local tax revenues. the economic and workforce~~
29 ~~impacts of a shutdown.~~

30 (d) The commission shall make the assessment publicly available
31 on its Internet Web site and place it as an item on the agenda at
32 the next commission meeting after the assessment is made publicly
33 available for purposes of collecting and recording public comment,
34 and hold any subsequent public meetings as necessary. *comment.*

35 ~~(e) The commission shall consider any further assessments or~~
36 ~~reviews needed that could assist local efforts in the region~~
37 ~~surrounding the County of San Luis Obispo to prepare for a closure~~
38 ~~of the Diablo Canyon Units 1 and 2 powerplant and make those~~
39 ~~considerations and findings publicly available.~~

1 SEC. 2. The Legislature finds and declares that a special law
2 is necessary and that a general law cannot be made applicable
3 within the meaning of Section 16 of Article IV of the California
4 Constitution because, currently, the Diablo Canyon Units 1 and 2
5 powerplant, owned and operated by the Pacific Gas and Electric
6 Company, is the last operating nuclear powerplant in California
7 and its continued operation is uncertain as Diablo Canyon Units
8 1 and 2 are only authorized to operate until 2024 and 2025,
9 respectively. Local communities were ill-prepared and given no
10 notice after the sudden closure of the San Onofre Nuclear
11 Generating Station was announced on June 7, 2013, and the state
12 is still responding, at significant cost, to the sudden, permanent,
13 and unexpected loss of baseline electricity. Therefore, an
14 assessment is needed ~~from the Pacific Gas and Electric Company~~
15 on the economic impact specific to a shutdown of the Diablo
16 Canyon Units 1 and 2 powerplant to provide the state, and local
17 communities, with valuable and necessary information to plan and
18 prepare for that circumstance, if needed.